**FISCAL SPONSORSHIP AGREEMENT – MODEL A**

This Fiscal Sponsorship Agreement (the “Agreement”) is made by and between Independent Arts & Media (“Sponsor”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Steering Committee (the “Committee”). Sponsor is a California nonprofit public benefit corporation qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and classified as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi). The Committee is a California unincorporated nonprofit association established to enter into this Agreement.

RECITALS

A. The Sponsor’s Board of Directors (the “Sponsor Board”) has approved the establishment of a restricted fund to receive donations of cash and other property earmarked for support of the project known as the \_\_\_\_\_\_\_\_\_\_ (the “Project”) and to make disbursements in furtherance of the Project’s mission to \_\_\_\_\_\_\_\_\_\_\_\_\_\_, as further described in Exhibit A to this Agreement, within the range of permissible activities consistent with IRC Section 501(c)(3).

B. Sponsor desires to act as the fiscal sponsor of the Project, by receiving assets and incurring liabilities identified with the Project beginning on the Effective Date as defined in Paragraph 1, and using them to pursue the objectives for which the Project is being established, which the Sponsor Board has determined will further its charitable purposes. The individual members of the Committee, acting as the Project Committee, as defined in Paragraph 3, desire to manage the Project under the sponsorship of Sponsor.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Term of Agreement. On \_\_\_\_\_\_\_\_, 201\_ (the “Effective Date”), Sponsor shall assume operation of the Project, which operation shall continue in effect unless and until terminated under Paragraph 7 below.

2. Project Activities and Affiliate Policy Manual. All community programs, public information work, fundraising events, processing and acknowledgment of cash and noncash revenue items, accounts payable and receivable, negotiation of leases and contracts, disbursement of the Project funds (including grants), and other activities planned by the Project shall be the ultimate responsibility of Sponsor and shall be conducted in the name of Sponsor, beginning on the Effective Date. Unless otherwise agreed, and subject to their consent, all personnel to be compensated for working on the Project shall be employed by or, if properly classified, contracted with Sponsor pursuant to written agreements between such personnel and Sponsor. The Committee shall abide by the Model A Affiliate Policy Manual of Sponsor attached hereto as Exhibit B, which Affiliate Policy Manual may be amended from time to time by Sponsor in its sole discretion with written notice to the Committee and which includes, in addition to other provisions, the administrative and other fees to be paid to the general fund of Sponsor from the restricted fund described in Paragraph 5 below.

3. Delegation. As of the Effective Date, authority to manage the program activities of the Project is delegated by the Sponsor Board to one or more individual members of the Committee, acting as agents of Sponsor (collectively, the “Project Committee”), subject at all times to the ultimate direction and control of the Sponsor Board. The Project Committee is a group of individuals that serves as a subordinate advisory body to the Sponsor Board and as an internal and integral part of Sponsor. The Project Committee may, but is not required to, delegate such authority to manage the program activities of the Project to a project director, who shall be an agent of Sponsor and shall be subject at all times to the ultimate direction and control of the Sponsor Board. Members of the Project Committee and/or the project director, if any, acting as agents of Sponsor, may solicit gifts, contributions, and grants to Sponsor to be identified as in support of the purposes of the Project.

4. Intellectual Property. Unless otherwise agreed, any tangible or intangible property, including, but not limited to, copyrights, trademarks, or other intellectual property, obtained from third parties or created in connection with the Project shall be the property of Sponsor while this Agreement is in effect. Notwithstanding the foregoing, Sponsor’s ownership and/or use of such property shall be subject to any third party rights in, and restrictions on the use of, such property.

5. Restricted Fund; Variance Power. Beginning on the Effective Date, Sponsor shall place all gifts, grants, contributions, and other revenues received by Sponsor and identified with the Project into a restricted fund to be used for the sole benefit of the Project’s mission as that mission may be defined by the Committee from time to time within the tax-exempt purposes of Sponsor and with the approval of Sponsor. Sponsor retains the unilateral right to spend such funds so as to accomplish the purposes of the Project as nearly as possible within Sponsor’s sole judgment, subject to any donor-imposed or grantor-imposed restrictions, as to purpose, on the charitable use of such assets. The parties agree that all money, and the fair market value of all property, in the restricted fund be reported as the income of Sponsor, for both tax purposes and for purposes of Sponsor’s financial statements. It is the intent of the parties that this Agreement be interpreted to provide Sponsor with variance powers necessary to enable Sponsor to treat the restricted fund as Sponsor’s asset in accordance with Accounting Standards Codification (“ASC”) paragraphs ASC 958-605-25-25 and -26, formerly expressed in Statement No. 136 issued by the Financial Accounting Standards Board, while this Agreement is in effect. Because the restricted fund is held under the charitable trust doctrine for the purposes of the Project as understood by and with funding sources, the parties intend that assets in the restricted fund are not subject to the claims of any creditor or to legal process resulting from activities of Sponsor unrelated to the Project.

6. Performance of Charitable Purposes. All of the assets received by Sponsor under the terms of this Agreement shall be devoted to the purposes of the Project, within the charitable purposes of Sponsor. Expenditures for any attempt to influence legislation within the meaning of IRC Section 501(c)(3) shall be subject to limitations imposed by Sponsor in its sole discretion. Sponsor shall not use any portion of the assets to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office; to induce or encourage violations of law or public policy; to cause any private inurement or improper private benefit to occur; nor to take any other action inconsistent with IRC Section 501(c)(3). Sponsor has determined, in reliance on the advice of its legal counsel, that the restricted fund is not a donor-advised fund within the meaning of IRC Section 4966(d)(2) as presently interpreted under federal tax authorities.

7. Termination.

1. Grounds for Termination. This Agreement may be terminated (1) by Sponsor when the objectives of the Project can no longer reasonably be accomplished by Sponsor, including when insufficient funds remain in the restricted fund held for the purposes of the Project, as determined by Sponsor in its sole discretion; (2) by either party when either the Committee or Sponsor desires to terminate Sponsor’s fiscal sponsorship of the Project for any reason; or (3) by either party based upon a material breach of this Agreement by the other party. When either party desires to terminate this Agreement, it shall provide a written notice of termination to the other party.
2. Understandings Upon Receipt of Notice of Termination. Upon receipt of a written notice of termination of this Agreement on any grounds, the parties shall have sixty (60) days to find another nonprofit corporation which is (i) tax exempt under IRC Section 501(c)(3); (ii) not classified as a private foundation under IRC Section 509(a); and (iii) willing and able to sponsor the Project (a “Successor”). The ability to sponsor the Project shall be evidenced by having exempt purposes consistent with the purposes of the Project and the administrative and financial capacity to competently and lawfully manage the Project. The Successor must be approved in writing by both parties by or before the end of the 60-day period. If the parties do not identify or are unable to agree on a Successor by the end of the initial 60-day period, the Committee shall have an additional 60-day period to find a Successor, subject to Sponsor’s approval in its sole discretion. If a Successor is found and agreed to by the parties, the balance of assets held by Sponsor in its restricted fund for the purposes of the Project, together with any other tangible and intangible assets held or liabilities incurred by Sponsor in connection with the Project, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties that may be required. If the Committee has formed a new organization meeting the definition of a Successor as set forth in this Subparagraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service indicating that such qualifications have been met, by no later than the end of the notice period or any extension thereof.
3. Timing of Termination. This Agreement shall terminate upon the earlier of (1) the expiration of the notice period or any extension thereof as set forth in Subparagraph b above, or (2) the transfer of the balance of assets held by Sponsor in its restricted fund for the purposes of the Project, together with any other tangible and intangible assets held or liabilities incurred by Sponsor in connection with the Project, to a Successor. If no Successor is found within the notice period or any extension thereof as set forth in Subparagraph b above, this Agreement shall terminate and Sponsor may dispose of the Project’s assets and liabilities, in its sole discretion, in any manner consistent with applicable tax and charitable trust laws. If the parties mutually wish to earlier terminate this Agreement without identifying a Successor, they may do so in a writing signed by both parties.

8. Miscellaneous. In the event of any controversy, claim, or dispute between the parties arising out of or related to this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys’ fees and costs of sustaining its position. Each provision of this Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision. This Agreement shall be interpreted and construed in accordance with the laws of the State of California applicable to contracts to be performed entirely within such State. Time is of the essence of this Agreement and of each and every provision hereof. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and no party shall make such representation to anyone. The failure of Sponsor to exercise any of its rights under this Agreement shall not be deemed a waiver of such rights.

9. Indemnification. The Committee will indemnify, defend and hold harmless Sponsor and its officers, directors, agents, employees, successors and permitted assigns from and against any and all losses, claims, suits, proceedings, liabilities, expenses (including reasonable attorneys’ fees and expenses), causes of action, damages and costs (collectively “Claims”) arising out of or caused by negligence, gross negligence, or willful misconduct of the Committee or its officers, directors, agents, employees, successor or permitted assigns or from any material breach of this Agreement by the Committee. If Sponsor is entitled to indemnification under this Paragraph, it will give prompt notice to the Committee of any Claim with respect to which it seeks indemnification, but the failure to so notify the Committee shall not relieve the Committee of any liability except to the extent that it is actually prejudiced by such delay. The Committee shall assume, at its sole cost and expense, the defense of such Claim with counsel reasonably satisfactory to Sponsor. The Committee will not be subject to any liability for any settlement made without its consent. The Committee shall not, without consent of Sponsor, effect any settlement or discharge or consent to the entry of any judgment, unless such settlement or judgment includes as an unconditional term thereof the giving by the claimant or plaintiff to Sponsor of a general release from all liability in respect of such claim or litigation. Notwithstanding anything herein to the contrary, the indemnification provisions of this Paragraph 9 shall survive any termination of this Agreement.

10. Entire Agreement; Counterparts. This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. All Exhibits hereto are a material part of this Agreement and are incorporated herein by reference. This Agreement, including any Exhibits hereto, may not be amended or modified, except in a writing signed by all parties to this Agreement; provided, however, that the Affiliate Policy Manual of Sponsor attached here to Exhibit B may be amended by Sponsor from time to time in its sole discretion with written notice to the Committee. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

11. Committee Receipt of Agreement. By signing this Agreement, the Committee acknowledges that each member of the Committee has received a complete copy of this Agreement and all Exhibits hereto.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Agreement effective as of the Effective Date.

**INDEPENDENT ARTS & MEDIA \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ STEERING COMMITTEE**

By: By:

Lisa Burger, President [Name, Title]

Dated:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT A**

**DESCRIPTION OF PROJECT**

**EXHIBIT B**

**MODEL A AFFILIATE POLICY MANUAL OF**

**INDEPENDENT ARTS & MEDIA**

**See attached.**